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IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE EASTERN DISTRICT OF VIRGINIA  
Richmond Division

In re: )  
 ) Chapter 11  
CIRCIT CITY STORES, INC., *et al.* )  
 ) Case No. 08-35653 - KRH  
Debtors. )  
 ) Jointly Administered

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**JOINDER OF LUMISOURCE, INC. TO: (A) THE OPPOSITION OF PARAMOUNT  
HOME ENTERTAINMENT INC. TO DEBTORS' MOTION FOR SUMMARY  
JUDGMENT WITH RESPECT TO CERTAIN CLAIMS SUBJECT TO THE DEBTORS'  
NINETEENTH AND THIRTY-THIRD OMNIBUS OBJECTIONS TO CLAIMS; AND (B)  
DENON ELECTRONICS (USA) LLC AND BOSTON ACOUSTIC, INC.'S OPPOSITION  
TO DEBTORS' MOTION FOR SUMMARY JUDGMENT WITH RESPECT TO  
CERTAIN CLAIMS SUBJECT TO THE DEBTOR'S NINETEENTH AND THIRTY-  
THIRD OMNIBUS OBJECTION TO CLAIMS**

LumiSource, Inc. ("LumiSource"), a creditor in this case, by counsel, hereby joins in (A)  
the Opposition of Paramount Home Entertainment Inc. to Debtors' Motion for Summary  
Judgment With Respect to Certain Claims Subject to the Debtors' Nineteenth and Thirty-Third  
Omnibus Objections to Claims ("Paramount's Opposition") [Docket No. 6237] and in (B) Denon  
Electronics (USA) LLC And Boston Acoustic, Inc.'s Opposition to Debtors' Motion for  
Summary Judgment With Respect to Certain Claims Subject to (i) the Debtor's Nineteenth  
Omnibus Objection to Claims (Reclassification of Certain Misclassified Claims to General  
Unsecured, Non-Priority Claims) and (ii) the Debtors' Thirty-Third Omnibus Objection to the

Claims (Modification and/or Reclassification of Certain Claims) (“Denon’s Opposition”)

[Docket No. 6236] and states as follows:

1. On or about November 10, 2008, the Debtors filed a motion seeking an order establishing procedures for reclamation demands made in this case. [Docket No. 14].

2. The Debtors received the goods sold by LumiSource within the 45 days prior to the commencement of this case, at a time when, on information and belief, the Debtors were insolvent, and LumiSource issued a reclamation demand in accordance with this Court’s order of November 13, 2008 (the “Order”)[Docket No. 133].

3. On or about November 28, 2008, LumiSource filed an objection to the Order [Docket No. 504], which was resolved in part by the addition of language in the Final Order Establishing Procedures for Reclamation Demands [Docket No. 897] that preserved the rights of reclamation claimants, including LumiSource, in the proceeds of the goods subject to the reclamation claimant’s reclamation demand. See Paragraph 6 of the Final Order Establishing Procedures for Reclamation Demands [Docket No. 897].

4. Since LumiSource can recover against the proceeds of the sale of its goods, this Court should apply the doctrine of marshaling. The doctrine of marshaling rests upon the principle that a creditor having two funds to satisfy his debt, may not by his application of them to his demand, defeat another creditor, who may resort to only one of the funds. Meyer v. United States, 375 U.S. 233, 236 (1963) (quoting Sowell v. Fed. Reserve Bank, 268 U.S. 449, 456-57 (1925)). The Supreme Court in Meyer discussed the extent and fundamental function of the doctrine of marshaling:

In considering the relevance of the doctrine here it is well to remember that marshaling is not bottomed on the law of contracts or liens. It is founded instead in equity, being designed to promote fair dealing and justice. Its purpose is to prevent the arbitrary action of a senior lienor

from destroying the rights of a junior lienor or a creditor having less security. It deals with the rights of all who have an interest in the property involved and is applied only when it can be equitably fashioned as to all of the parties.

375 U.S. at 237. Bankruptcy courts have the equitable power to order the marshaling of assets in a bankruptcy case or proceeding. In re Larry's Equip. Serv., Inc., 23 B.R. 132, 133 (Bankr.D.Me.1982).

5. Additionally, LumiSource adopts the grounds and authorities set forth in Paramount's Opposition and Denon's Opposition as its response to Debtors' motion for summary judgment.

6. LumiSource deems the Motion for Summary Judgment premature on the basis of the grounds, authorities and arguments set forth in Paramount's Opposition and in Denon's Opposition.

7. Additionally, LumiSource reserves the right to rely on the arguments and authorities contained in the responses of other creditors filed in response to the Debtor's motion for summary judgment. Nothing herein should be construed as conceding any of Debtors' arguments that it is entitled to treat LumiSource's reclamation claim as a general unsecured claim. To the contrary, LumiSource denies that Debtors have a valid basis to object to its reclamation claim and the conversion of same to a general unsecured claim.

LUMISOURCE, INC.

*/s/ W. Alexander Burnett*

By: \_\_\_\_\_  
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**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that a true copy of the foregoing Joinder of LumiSource, Inc. was filed and served this 11th day of January, 2010, electronically using the Court's ECF System, was sent by electronic mail to [circuitcityservice@mcguirewoods.com](mailto:circuitcityservice@mcguirewoods.com) and [project.circuitcity@skadden.com](mailto:project.circuitcity@skadden.com), and was sent by first class mail, postage prepaid, to the entities at the addresses indicated below:

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